

110TH CONGRESS  
1ST SESSION

# H. R. 3475

To amend the Internal Revenue Code of 1986 to increase the estate and gift tax unified credit to an exclusion equivalent of \$5,000,000, to adjust such amount for inflation, to repeal the 1-year termination of the estate tax, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 5, 2007

Mr. CAPUANO introduced the following bill; which was referred to the  
Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to increase the estate and gift tax unified credit to an exclusion equivalent of \$5,000,000, to adjust such amount for inflation, to repeal the 1-year termination of the estate tax, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. INCREASE IN THE UNIFIED CREDIT AGAINST**  
4 **ESTATE AND GIFT TAX.**

5 (a) IN GENERAL.—Subsection (c) of section 2010 of  
6 the Internal Revenue Code of 1986 (relating to applicable  
7 credit amount) is amended by striking all that follows

1 “were the applicable exclusion amount” and inserting “.  
 2 For purposes of the preceding sentence, the applicable ex-  
 3 clusion amount is \$5,000,000.”.

4 (b) INFLATION ADJUSTMENT.—Section 2010 of such  
 5 Code is amended by redesignating subsection (d) as sub-  
 6 section (e) and by inserting after subsection (c) the fol-  
 7 lowing new subsection:

8 “(d) COST-OF-LIVING ADJUSTMENT.—In the case of  
 9 any decedent dying, or gift made, in a calendar year after  
 10 2010, the \$5,000,000 amount in subsection (c) shall be  
 11 increased by an amount equal to—

12 “(1) such amount, multiplied by

13 “(2) the cost-of-living adjustment determined  
 14 under section 1(f)(3) for such calendar year by sub-  
 15 stituting ‘calendar year 2009’ for ‘calendar year  
 16 1992’ in subparagraph (B) thereof.

17 If any amount as adjusted under the preceding sentence  
 18 is not a multiple of \$10,000, such amount shall be round-  
 19 ed to the nearest multiple of \$10,000.”.

20 (c) REPEAL OF 1-YEAR TERMINATION OF THE ES-  
 21 TATE TAX; APPLICATION OF EGTRRA SUNSET.—

22 (1) IN GENERAL.—Subtitles A and E of title V  
 23 of the Economic Growth and Tax Relief Reconcili-  
 24 ation Act of 2001, and the amendments made by  
 25 such subtitles, are hereby repealed; and the Internal

1 Revenue Code of 1986 shall be applied as if such  
2 subtitles, and amendments, had never been enacted.

3 (2) CONFORMING AMENDMENTS.—Sections  
4 511(d), 511(e), and 521(b)(2) of the Economic  
5 Growth and Tax Relief Reconciliation Act of 2001,  
6 and the amendments made by such sections, are  
7 hereby repealed; and the Internal Revenue Code of  
8 1986 shall be applied as if such sections, and  
9 amendments, had never been enacted.

10 (3) APPLICATION OF SUNSET TO REMAINING  
11 PROVISIONS.—

12 (A) IN GENERAL.—Paragraph (2) of sec-  
13 tion 901(a) of the Economic Growth and Tax  
14 Relief Reconciliation Act of 2001 is amended by  
15 striking “December 31, 2010” and inserting  
16 “December 31, 2009”.

17 (B) EXCEPTION.—Section 901 of the Eco-  
18 nomic Growth and Tax Relief Reconciliation  
19 Act of 2001 shall not apply to subtitle C of title  
20 V of such Act.

21 (d) EFFECTIVE DATE.—The amendments made by  
22 subsections (a) and (b) shall apply to estates of decedents  
23 dying, and gifts made, after December 31, 2009.

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